

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

March 20, 2025
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB25-1080 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend the Business Affairs and Labor Committee Report, dated
- 2 February 19, 2025, page 1, line 11, strike "RURAL AND UNSERVED" and
- 3 substitute "RURAL, UNSERVED, AND UNDERSERVED".

- 4 Page 1, line 18, strike "UNSERVED." and substitute "UNSERVED OR
- 5 UNDERSERVED".

- 6 Page 1, line 24, after "UNSERVED" insert "AND UNDERSERVED".

- 7 Page 2, line 11, strike "PROPERTY".

- 8 Page 2, lines 13 and 14, strike "WIRELESS TELECOMMUNICATIONS SERVICE
- 9 AND".

- 10 Page 2, line 24, strike "PROPERTY".

- 11 Page 2, line 25, strike "FACILITY".

- 12 Page 2, strike line 26 and substitute "PROVIDE FIXED OR MOBILE WIRELESS
- 13 BROADBAND INTERNET ACCESS SERVICE, INCLUDING, BUT NOT".

- 14 Page 2, after line 27 insert:

- 15 "(c) "UNDERSERVED AREA" MEANS A GEOGRAPHIC AREA IN WHICH
- 16 BROADBAND INTERNET ACCESS SERVICE IS NOT AVAILABLE FROM MORE
- 17 THAN ONE PROVIDER AT SPEEDS MEETING OR EXCEEDING THE MINIMUM
- 18 BROADBAND BENCHMARKS ESTABLISHED BY THE FEDERAL
- 19 COMMUNICATIONS COMMISSION FOR FIXED BROADBAND OR MOBILE

1 BROADBAND. A COUNTY SHALL DETERMINE WHETHER AN AREA IS
2 UNDERSERVED BY REFERENCE TO THE FEDERAL COMMUNICATIONS
3 COMMISSION BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1
4 IN THE CALENDAR YEAR IN WHICH THE COUNTY AND THE TAXPAYER
5 NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT."

6 Page 2, line 28, strike "(c)" and substitute "(d)".

7 Page 2, strike lines 33 through 37 and substitute "SHALL DETERMINE
8 WHETHER AN AREA IS UNSERVED BY REFERENCE TO THE FEDERAL
9 COMMUNICATIONS COMMISSION BROADBAND COVERAGE MAPS AVAILABLE
10 AS OF JANUARY 1 IN THE CALENDAR YEAR IN WHICH THE COUNTY AND THE
11 TAXPAYER NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT."

12 Page 2, strike lines 41 and 42 and substitute "SERVICES FACILITY IN THE
13 COUNTY IF THE FACILITY SERVES AN UNSERVED OR UNDERSERVED AREA."

14 Page 3, strike lines 2 through 5 and substitute "BE SERVED BY THE
15 PROPOSED INVESTMENT IS AN UNSERVED OR UNDERSERVED AREA. THE
16 TAXPAYER SHALL RELY ON THE FEDERAL COMMUNICATIONS COMMISSION
17 BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1 IN THE
18 CALENDAR YEAR IN WHICH THE COUNTY AND THE TAXPAYER NEGOTIATE
19 AN INCENTIVE PAYMENT OR CREDIT TO MAKE THE DETERMINATION."

20 Page 3, line 10, strike the first "PROPERTY".

21 Page 3, strike lines 12 and 13 and substitute "THIS SECTION IN A
22 NONDISCRIMINATORY, NONEXCLUSIVE, AND COMPETITIVELY NEUTRAL
23 MANNER. TO THE EXTENT THAT A COUNTY AWARDS AN INCENTIVE
24 PAYMENT OR CREDIT UNDER THIS SECTION, THE COUNTY SHALL AWARD
25 SUBSEQUENT INCENTIVE PAYMENTS OR CREDITS UNDER SIMILAR TERMS
26 AND CONDITIONS AS THE INITIAL AWARD AND BASED ON A PROPORTIONATE
27 LEVEL OF INVESTMENT IN A QUALIFIED COMMUNICATION SERVICES
28 FACILITY IN THE COUNTY."

29 Page 3, line 17, strike "PROPERTY".

30 Page 3, line 32, strike "RURAL AND UNSERVED" and substitute "RURAL,
31 UNSERVED, AND UNDERSERVED".

32 Page 3, line 39, strike "UNSERVED." and substitute "UNSERVED OR
33 UNDERSERVED."

1 Page 4, line 15, strike "PROPERTY".

2 Page 4, after line 16 insert:

3 "(b) "UNDERSERVED" HAS THE MEANING SET FORTH IN SECTION
4 39-3-139 (2)(c) AND APPLIES TO A SPECIAL DISTRICT'S DETERMINATION OF
5 WHETHER AN AREA IS UNDERSERVED IN THE SAME MANNER DESCRIBED
6 FOR A COUNTY'S DETERMINATION IN SECTION 39-3-139 (2)(c)."

7 Page 4, line 17, strike "(b)" and substitute "(c)".

8 Page 4, strike lines 18 through 20 and substitute "39-3-139 (2)(d) AND
9 APPLIES TO A SPECIAL DISTRICT'S DETERMINATION OF WHETHER AN AREA
10 IS UNSERVED IN THE SAME MANNER DESCRIBED FOR A COUNTY'S
11 DETERMINATION IN SECTION 39-3-139 (2)(d)."

12 Page 4, strike lines 24 and 25 and substitute "SERVICES FACILITY IN THE
13 SPECIAL DISTRICT IF THE FACILITY SERVES AN UNSERVED OR
14 UNDERSERVED AREA."

15 Page 4, strike lines 28 through 31 and substitute "AREA TO BE SERVED BY
16 THE PROPOSED INVESTMENT IS AN UNSERVED OR UNDERSERVED AREA. THE
17 TAXPAYER SHALL RELY ON THE FEDERAL COMMUNICATIONS COMMISSION
18 BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1 IN THE
19 CALENDAR YEAR IN WHICH THE SPECIAL DISTRICT AND THE TAXPAYER
20 NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT TO MAKE THE
21 DETERMINATION."

22 Page 4, line 36, strike "PROPERTY".

23 Page 4, strike lines 39 and 40 and substitute "UNDER THIS SECTION IN A
24 NONDISCRIMINATORY, NONEXCLUSIVE, AND COMPETITIVELY NEUTRAL
25 MANNER. TO THE EXTENT THAT A SPECIAL DISTRICT AWARDS AN
26 INCENTIVE PAYMENT OR CREDIT UNDER THIS SECTION, THE SPECIAL
27 DISTRICT SHALL AWARD SUBSEQUENT INCENTIVE PAYMENTS OR CREDITS
28 UNDER SIMILAR TERMS AND CONDITIONS AS THE INITIAL AWARD AND
29 BASED ON A PROPORTIONATE LEVEL OF INVESTMENT IN A QUALIFIED
30 COMMUNICATION SERVICES FACILITY IN THE SPECIAL DISTRICT."

31 Page 4, line 43, strike "PROPERTY".

32 Page 5, line 15, strike "RURAL AND UNSERVED" and substitute "RURAL,
33 UNSERVED, AND UNDERSERVED".

- 1 Page 5, line 22, strike "UNSERVED." and substitute "UNSERVED OR
2 UNDERSERVED."
- 3 Page 5, line 28, after "UNSERVED" insert "AND UNDERSERVED".
- 4 Page 5, line 41, strike "PROPERTY".
- 5 Page 5, after line 42 insert:
- 6 "(b) "UNDERSERVED" HAS THE MEANING SET FORTH IN SECTION
7 39-3-139 (2)(c) AND APPLIES TO A SCHOOL DISTRICT'S DETERMINATION OF
8 WHETHER AN AREA IS UNDERSERVED IN THE SAME MANNER DESCRIBED
9 FOR A COUNTY'S DETERMINATION IN SECTION 39-3-139 (2)(c)."
- 10 Page 5, line 43, strike "(b)" and substitute "(c)".
- 11 Page 6, strike lines 1 through 3 and substitute "39-3-139 (2)(d) AND
12 APPLIES TO A SCHOOL DISTRICT'S DETERMINATION OF WHETHER AN AREA
13 IS UNSERVED IN THE SAME MANNER DESCRIBED FOR A COUNTY'S
14 DETERMINATION IN SECTION 39-3-139 (2)(d)."
- 15 Page 6, line 7, strike "PROPERTY".
- 16 Page 6, line 8, after "UNSERVED" insert "OR UNDERSERVED".
- 17 Page 6, strike lines 12 through 14 and substitute "INVESTMENT IS AN
18 UNSERVED OR UNDERSERVED AREA. THE TAXPAYER SHALL RELY ON THE
19 FEDERAL COMMUNICATIONS COMMISSION BROADBAND COVERAGE MAPS
20 AVAILABLE AS OF JANUARY 1 IN THE CALENDAR YEAR IN WHICH THE
21 SCHOOL DISTRICT AND THE TAXPAYER NEGOTIATE AN INCENTIVE PAYMENT
22 OR CREDIT TO MAKE THE DETERMINATION."
- 23 Page 6, line 19, strike "PROPERTY".
- 24 Page 6, strike line 23 and substitute "NONDISCRIMINATORY,
25 NONEXCLUSIVE, AND COMPETITIVELY NEUTRAL MANNER. TO THE EXTENT
26 THAT A SCHOOL DISTRICT AWARDS AN INCENTIVE PAYMENT OR CREDIT
27 UNDER THIS SECTION, THE SCHOOL DISTRICT SHALL AWARD SUBSEQUENT
28 INCENTIVE PAYMENTS OR CREDITS UNDER SIMILAR TERMS AND
29 CONDITIONS AS THE INITIAL AWARD AND BASED ON A PROPORTIONATE
30 LEVEL OF INVESTMENT IN A QUALIFIED COMMUNICATION SERVICES
31 FACILITY IN THE SCHOOL DISTRICT."

1 Page 6, line 27, strike "PROPERTY".

2 Page 6, strike lines 29 through 43.

3 Page 7, strike lines 1 through 30 and substitute:

4 "SECTION 4. In Colorado Revised Statutes, 39-26-129, amend
5 (1) as follows:

6 **39-26-129. Refund for property used in rural broadband**
7 **service - legislative declaration - tax preference performance**
8 **statement - definitions - repeal.** (1)(a) The general assembly FINDS AND
9 declares that: ~~the intended purpose of the tax refund created in this~~
10 ~~section is to encourage broadband providers to deploy broadband~~
11 ~~infrastructure in rural areas of the state and to create incentives for~~
12 ~~investment in broadband infrastructure in addition to the incentives~~
13 ~~already created by other state or federal law.~~

14 (I) EXPANDING ACCESS TO WIRELESS AND OTHER COMMUNICATION
15 SERVICES IS CRITICAL TO THE ECONOMIC AND SOCIAL WELL-BEING OF
16 COLORADO'S RESIDENTS AND BUSINESSES. RELIABLE COMMUNICATIONS
17 INFRASTRUCTURE SUPPORTS EDUCATION, HEALTH CARE, WORKFORCE
18 DEVELOPMENT, AND ECONOMIC COMPETITIVENESS.

19 (II) COLORADO RECEIVES ONGOING FEDERAL FUNDING OF MORE
20 THAN ONE BILLION DOLLARS TO FACILITATE BROADBAND DEPLOYMENT TO
21 UNSERVED AND UNDERSERVED HOUSEHOLDS IN THE STATE;

22 (III) REQUIRING COMMUNICATIONS PROVIDERS TO PAY SALES AND
23 USE TAXES ON FEDERAL-FUNDED AND STATE-FUNDED DEPLOYMENT IS
24 COUNTERPRODUCTIVE, BECAUSE IT REDUCES THE EFFICACY AND IMPACT
25 OF THESE GRANTS BY EFFECTIVELY TAXING MONEY INTENDED FOR
26 COMMUNICATIONS EXPANSION AND CREATING A STRUCTURAL
27 INEFFICIENCY;

28 (IV) THE PURPOSE OF THIS SECTION IS TO UPDATE AND
29 STREAMLINE THE ADMINISTRATION OF THE EXISTING SALES TAX REBATE
30 FOR BROADBAND INFRASTRUCTURE ENACTED IN 2014. THIS SECTION
31 ENSURES THAT TAX RELIEF IS MORE EFFICIENTLY DELIVERED, MORE
32 EFFECTIVELY TARGETS AREAS OF COLORADO IN NEED OF COMMUNICATION
33 SERVICES, AND EASES THE ADMINISTRATIVE BURDEN ON
34 COMMUNICATIONS PROVIDERS THAT APPLY FOR THE EXISTING REBATE
35 PROGRAM.

36 (V) WIRELESS TELECOMMUNICATIONS TECHNOLOGIES, WHILE
37 SEEMINGLY INDEPENDENT, CRITICALLY RELY ON FORMS OF BROADBAND
38 LIKE FIBER AND LANDLINE NETWORKS FOR ESSENTIAL FUNCTIONS, SUCH AS
39 BACKHAUL, WHICH CONNECTS CELL TOWERS TO THE INTERNET BACKBONE
40 AND WHICH IS OFTEN PERFORMED BY NONWIRELESS PROVIDERS.

1 THEREFORE, THE POLICIES THAT IMPACT BROADBAND INFRASTRUCTURE
2 MUST CONSIDER THE INTERCONNECTEDNESS OF ALL TECHNOLOGIES,
3 INCLUDING THE DEPENDENCE OF WIRELESS TELECOMMUNICATIONS ON THE
4 BROADER ECOSYSTEM, TO ENSURE EFFECTIVE AND COMPREHENSIVE
5 WIRELESS AND BROADBAND ACCESS FOR ALL COLORADANS.

6 (b) PURSUANT TO SECTION 39-21-304, THE GENERAL ASSEMBLY
7 ADOPTS THE FOLLOWING TAX PREFERENCE PERFORMANCE STATEMENT FOR
8 THE EXEMPTION CREATED IN THIS SECTION:

9 (I) THE SALES AND USE TAX EXEMPTION ESTABLISHED IN THIS
10 SECTION IS INTENDED TO:

11 (A) ELIMINATE THE STRUCTURAL INEFFICIENCY ASSOCIATED WITH
12 TAXING BROADBAND DEPLOYMENT GRANTS;

13 (B) STREAMLINE THE ADMINISTRATION OF TAX RELIEF FOR
14 PROVIDERS; AND

15 (C) INCENTIVIZE PRIVATE SECTOR INVESTMENT IN
16 INFRASTRUCTURE; AND

17 (II) THE EFFECTIVENESS OF THIS TAX EXPENDITURE SHALL BE
18 MEASURED BY:

19 (A) THE TOTAL AMOUNT OF PRIVATE AND PUBLIC INVESTMENT IN
20 BROADBAND INFRASTRUCTURE WITHIN COLORADO, INCLUDING
21 INFRASTRUCTURE FINANCED IN PART BY STATE AND FEDERAL GRANTS;

22 (B) THE EXTENT TO WHICH BROADBAND PROVIDERS UTILIZE THE
23 EXEMPTION TO INCREASE THE EFFICIENCY OF BROADBAND DEPLOYMENT
24 AND TO REDUCE PROJECT COSTS; AND

25 (C) THE AMOUNT BY WHICH ADMINISTRATIVE BURDENS ON
26 BROADBAND PROVIDERS ARE REDUCED, INCLUDING THE NUMBER OF
27 ENTITIES UTILIZING THE SALES TAX REFUND COMPARED TO THOSE
28 PREVIOUSLY APPLYING FOR THE SALES TAX REFUND."

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